

Message Text

CONFIDENTIAL

PAGE 01 STATE 110029

70

ORIGIN ARA-10

INFO OCT-01 ISO-00 SAB-01 CIAE-00 COME-00 DODE-00 DOTE-00

EB-07 FMC-01 INR-07 NSAE-00 SAL-01 CG-00 DLOS-04

OES-06 NSC-05 SS-15 NSCE-00 SSO-00 USIE-00 INRE-00

PA-01 PRS-01 H-02 L-03 TRSE-00 /065 R

DRAFTED BY ARA/PAN:DGWAGNER:ZC

APPROVED BY ARA/PAN:EJNADEAU

----- 107802

O 062101Z MAY 76

FM SECSTATE WASHDC

TO AMEMBASSY PANAMA IMMEDIATE

C O N F I D E N T I A L STATE 110029

E.O. 11652: GDS-3 DECLASSIFY AFTER 5/8/76

TAGS: EWWT, ETRN, ETRD, BGEN, PN

SUBJECT: PANAMA CANAL TOLL RATE INCREASE

FOR AMBASSADOR JORDEN AND MINISTER BELL

1. THE FOLLOWING IS A PRESS RELEASE WHICH THE PANAMA CANAL COMPANY WILL RELEASE THIS AFTERNOON AFTER THE PAN-AMANIANS ARE NOTIFIED BY THE NEGOTIATORS. WE WILL CALL YOU THIS AFTERNOON TO FILL IN THE BLANKS WHEN WE FIND OUT THAT INFORMATION.

2. BEGIN QUOTE PRESS RELEASE MAY 6, 1976

THE BOARD OF DIRECTORS OF THE PANAMA CANAL COMPANY VOTED ON THURSDAY TO SEEK A PERCENT INCREASE IN CANAL TOLLS.

CITING INFLATION AS A CAUSE OF PROJECTED OPERATING DEFICITS
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 110029

TOTALING 35.4 MILLION DOLLARS DURING FISCAL YEARS 1976,

THE TRANSITION QUARTER, AND 1977, THE BOARD, AT A SPECIAL MEETING IN MIAMI, FLA. PASSED A RESOLUTION APPROVING THE PROPOSING TOLLS INCREASE.

THE PROPOSAL MUST NOW BE PUBLISHED IN THE FEDERAL REGISTER INVITING ALL INTERESTED PARTIES TO SUBMIT COMMENTS OR ARGUMENTS AT A PUBLIC HEARING IN MIAMI, WHICH HAS BEEN SET FOR JANUARY. AFTER THE HEARING, THE PROPOSAL MUST AGAIN BE REVIEWED AND, IF APPROPRIATE, REVISED BEFORE SUBMISSION TO THE PRESIDENT OF THE UNITED STATES, WHO MUST APPROVE IT BEFORE IT IS IMPLEMENTED.

THE BOARD RESOLUTION POINTS OUT THAT DESPITE ECONOMY MEASURES DESIGNED TO CUT CANAL COSTS TO A MINIMUM CONSISTENT WITH EFFICIENT OPERATION OF THE WATERWAY, EXPENSES ARE STILL EXPECTED TO EXCEED REVENUES.

THE DEFICIT FOR FISCAL YEAR 1975 IS ESTIMATED AT 12.1 MILLION DOLLARS. DURING THE TRANSITION QUARTER (JULY 1 TO SEPTEMBER 30) LEADING TO THE CHANGEOVER TO A FISCAL YEAR BEGINNING OCTOBER 1, AN ADDITIONAL DEFICIT OF 4.3 MILLION DOLLARS IS EXPECTED AND FOR THE FULL FISCAL YEAR 1977, IT IS ESTIMATED AT 20 MILLION DOLLARS.

DESPITE SIGNIFICANT REDUCTIONS IN MANPOWER, THE LARGEST INCREASE IN OPERATING COSTS HAS BEEN FOR WAGES, AN AREA IN WHICH THE NET INCREASE IN FISCAL YEAR 1977 OVER 1975 IS ESTIMATED AT 17.3 MILLION DOLLARS.

INCREASES CALLED FOR IN THE PROPOSAL WOULD BRING THE RATE PER PANAMA CANAL TON (EQUIVALENT TO 100 CUBIC FEET OF REVENUE CARGO OR PASSENGER CAPACITY FROM ONE DOLLAR AND EIGHT CENTS TO 100 CENTS. SHIPS IN BALLAST WOULD PAY AT THE RATE OF 100 CENTS PANAMA CANAL TON INSTEAD OF THE FORMER 88 CENTS AND THE TOLLS FOR VESSELS SUCH AS WARSHIPS AND HOSPITAL SHIPS, WHICH PAY ON A DISPLACEMENT TON BASIS, WOULD BE INCREASED FROM THE PRESENT 60 CENTS TO 100 CENTS A TON.

THE FIRST TIME CANAL TOLLS WERE INCREASED SINCE IT OPENED
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 110029

IN 1914 WAS ON JULY 8, 1974, WHEN THE PRESENT RATES WERE ESTABLISHED. THAT INCREASE AMOUNTED TO 19.7 PERCENT. IN ADDITION, THE PRESIDENT RECENTLY AUTHORIZED A CHANGE IN CERTAIN ADMEASUREMENT RULES WHICH WILL INCREASE TOLLS REVENUE BY AN ESTIMATED 4.5 PERCENT. END QUOTE SISCO

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS RELEASES, TOLLS, CANALS, PRICES
Control Number: n/a
Copy: SINGLE
Draft Date: 06 MAY 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: powellba
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE110029
Document Source: CORE
Document Unique ID: 00
Drafter: DGWAGNER:ZC
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760175-0528
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760583/aaaactgs.tel
Line Count: 112
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: powellba
Review Comment: n/a
Review Content Flags:
Review Date: 21 JUL 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <21 JUL 2004 by MartinML>; APPROVED <02 NOV 2004 by powellba>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PANAMA CANAL TOLL RATE INCREASE FOR AMBASSADOR JORDEN AND MINISTER BELL
TAGS: EWWT, ETRN, ETRD, BGEN, PN, PQ
To: PANAMA
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006